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January 29, 2004

## **VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

**Re: WC Docket No. 04-14: Amendment to the Application of RCN Telecom Services, Inc. and Carmel Telephone Services, Inc. for Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Control of Certain Telecommunications Assets of RCN Telecom Services, Inc. to Carmel Telephone Services, Inc.**

Dear Ms. Dortch:

RCN Telecom Services, Inc. ("RCN") and Carmel Telephone Services, Inc. ("CarmelTel") hereby submit this additional information as requested by Commission staff for the application referenced above.

1. Please describe in more detail the assets (in particular the facilities) that are the subject of this application. Please also describe the type of services (residential or business) that are provided over the facilities.

The following facilities are being transferred from RCN to CarmelTel: Host Digital Terminal(s) ("HDT"), coaxial cable, and remote service units ("RSU"). The HDT is connected to the coaxial cable that interfaces with RSUs at the subscribers' premises. The HDT modulates the voice services sent over a circuit running between the HDT and a switch. The coaxial cable connects the HDT and RSU, which, for terminating calls, splits the signal received over the coaxial cable into three pieces – telephone, broadband and cable – that enter the subscriber's premises over the subscriber's existing wiring. For originating calls, the RSU combines the telephone signal with the cable and broadband signals for transmission over the coaxial cable to the HDT. No fiber optic or copper wire facilities are being transferred as part of this transaction.

The facilities are used to provide service primarily to residential customers, although there are a few small business customers.

2. Please provide a copy of the application that was filed with the New York Public Service Commission for the transfer of the cable system.

Attached hereto is a copy of the requested application, excluding the exhibits.

3. Do any affiliates of CarmelTel currently provide telecommunications or cable service in the affected service area? If so, please indicate whether any of the affiliates are dominant with regard to the provision of telecommunications or cable services in such service area. Is RCN dominant with regard to the provision of telecommunications or cable services in the affected service area?

No affiliates of CarmelTel currently provide telecommunications or cable service in the affected service area. Therefore, there are no CarmelTel affiliates that are a dominant provider in the affected service area.

RCN is not dominant with regard to the provision of telecommunications or cable services in the affected service area.

4. Please provide the citizenship for the following entities that control an indirect ownership of 10% or more in CarmelTel: (1) Louis J. Appeal Residuary Trust fbo Louis J. Appell, Jr.; (2) Louis J. Appeal Residuary Trust fbo Helen A. Norton; (3) Louis J. Appeal Residuary Trust fbo George N. Appell & his Descendants; and (4) State Street Bank and Trust Co.

Each of these entities have United States citizenship.

\* \* \* \*

Please date-stamp the enclosed copy of this filing and return it in the envelope provided. Please do not hesitate to contact us if you have any questions regarding this filing.

Respectfully submitted,



Russell M. Blau  
Brett P. Ferencak

Counsel for RCN Telecom Services, Inc.

Attachment

cc: Gail Cohen (FCC)  
Joseph Kahl (RCN)  
Craig Bremer (CarmelTel)

**ATTACHMENT**

Cohen, Dax & Koenig, P.C.

ATTORNEYS

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Joshua Noah Koenig

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Joshua A. Sabo  
*Of Counsel*

October 15, 2003

Hon. Jaclyn A. Brilling, Acting Secretary  
Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Subject: Joint Petition of RCN Telecom Services, Inc. and  
Carmel Cable Television, Inc.  
Pursuant to PSL § 222, For Approval of the Transfer of  
Cable System Franchises, Certificates and Facilities in Dutchess,  
Putnam, and Westchester Counties.

Dear Secretary Brilling:

Please find enclosed an original and three copies of the joint petition of RCN Telecom Services, Inc. ("RCN") and Carmel Cable Television, Inc. ("Carmel Cable"), pursuant to PSL § 222, for approval of the transfer to Carmel Cable of the cable service franchises, certificates and system facilities now held by RCN in ten municipal franchise areas located in the counties of Dutchess, Putnam, and Westchester, and more specifically identified as the towns of Beekman, Carmel, Kent, Patterson, Pawling, Putnam Valley, Somers, and Southeast, and the villages of Brewster and Pawling.

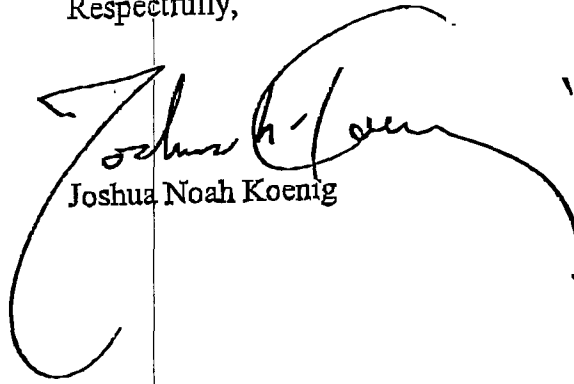
Enclosed with this application is a certified copy of the original certificate of incorporation of petitioner Carmel Cable as filed with the New York State Department of State and a certified copy of the original Application For Authority under NY BCL §1304 of petitioner RCN as filed with the New York Department of State. Also, in supplement to this petition, a copy of the most recent technical performance test report for the subject system facilities will be presented to this Commission by separate transmittal.

Copies of this application are being served upon the subject towns and villages.

October 15, 2003  
Re: RCN Telecom Services, Inc / Carmel Cable Television, Inc.

Thank you for your assistance regarding this matter. If you have any comments or inquiries please contact me.

Respectfully,



Joshua Noah Koenig

Enclosures

cc: Mr. Chad Hume, PSC  
Mr. Kevin Hillegas, PSC

Philip J. Passanante, Esq., RCN  
Craig W. Bremer, Esq., SusCom

Franchising Towns and Villages

NEW YORK STATE  
PUBLIC SERVICE COMMISSION

In the Matter of the )  
 )  
Joint Petition of )  
 )  
RCN Telecom Services, Inc. )  
and )  
Carmel Cable Television, Inc. )  
 )  
For Approval Pursuant to PSL )  
Section 222 of the transfer of Cable )  
Television Franchises and Facilities )  
located in various municipalities in )  
Dutchess, Putnam, and Westchester )  
Counties )  
 )

Case No. 03-V-\_\_\_\_\_

JOINT PETITION  
of  
RCN Telecom Services, Inc.  
and  
Carmel Cable Television, Inc.,  
a subsidiary of Susquehanna Cable Co.

1. Now come RCN Telecom Services, Inc., formerly known as RCN of Southeast New York, Inc. ("RCN"), and Carmel Cable Television, Inc., a subsidiary of Susquehanna Cable Co. ("Carmel Cable"), as Joint Petitioners, pursuant to Public Service Law ("PSL") § 222, to request approval for the transfer to Carmel Cable of the cable service franchises, facilities and State certificates of confirmation currently held by RCN for the provision of cable services in ten (10) municipalities located in Dutchess, Putnam and Westchester Counties in the State of New York.

2. The subject municipal franchise areas consist of the following, including reference to the relevant county and assigned Federal Communications Commission ("FCC") Community Unit Identification Number:

Town of Beekman	Dutchess County	NY1454
Village of Brewster	Putnam County	NY1222
Town of Carmel	Putnam County	NY1099
Town of Kent	Putnam County	NY1200
Town of Patterson	Putnam County	NY1028
Town of Pawling	Dutchess County	NY1054
Village of Pawling	Dutchess County	NY1055
Town of Putnam Valley	Putnam County	NY1453
Town of Somers Heritage Hills residential community	Westchester County	NY1182
Town of Southeast	Putnam County	NY1221

3. Enclosed as Exhibit A with this Petition is a copy of the FCC Form 394 (Request for Transfer Consent), which includes as an exhibit (Exhibit 2) a copy of the subject Asset Purchase Agreement by and between RCN Telecom Services, Inc. as Seller and Susquehanna Cable Co. as Purchaser, dated as of July 10, 2003 (with limited redactions for confidential references) (the "Agreement"). The Purchaser's rights and interests under the Agreement have been assigned by Purchaser to Carmel Cable, pursuant to the authority described at Section 9.8 (pages 56-57) of said Agreement.

4. Petitioner/Transferor RCN is a Pennsylvania corporation, duly registered with the Secretary of State of the State of New York, and has operated the subject cable system facilities for many years pursuant to franchises and franchise agreements with the subject franchising authorities. The operational control of these franchises and facilities (which were previously operated by the former owners of C-TEC Corporation), was originally acquired by a predecessor of RCN with the approval of the State Commission in 1993 (*Order Approving Transfer* in Docket No. 70342, October 21, 1993, Commission on Cable Television 93-369). The more recent ownership structure of these franchises and facilities, and the role of the current version of RCN, were adopted by corporate restructure which was reviewed and approved by this Commission in 1997 (*Order Denying Disclaimer of Jurisdiction and Approving Transfer* in Case 97-V-0374, December 24, 1997).<sup>1</sup> RCN is a subsidiary of the RCN Corporation, with offices in Princeton, New Jersey [ NASDAQ: RCNC ].

5. Petitioner/Transferee, Carmel Cable, is a New York corporation and the direct subsidiary of Susquehanna Cable Co., a Pennsylvania corporation with a principal place of business at 140 East Market Street in York, Pennsylvania (17401). That company also operates under the registered trade names of "Susquehanna Communications" and "SusCom," and has long and distinguished experience in the operation of cable service systems and other communications services providers in various jurisdictions including, particularly, Pennsylvania, Illinois, Indiana, Maine and Mississippi. Susquehanna Cable Co. owns 82.25% of Carmel

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<sup>1</sup> An additional internal corporate restructuring of RCN operating entities was approved by this Commission in 2000. Order Approving Transfer in Case 99-C-1455 (January 19, 2000), modified by Order dated May 25, 2000.



Cable. Susquehanna Media Co. owns 85% of Susquehanna Cable Co. All of the voting common stock of Susquehanna Media Co. is owned by Susquehanna Pfaltzgraff Co., a privately held company. A description and chart of ownership structure is appended to this petition as Exhibit B. A summary of the senior management of Susquehanna Cable Co. is attached as Exhibit 6 to the FCC Form 394 giving notice of this transaction and appended hereto as Exhibit A.

The minority interest of 17.75% in Carmel Cable and 15% in Susquehanna Cable Co. are held by Comcast Corp. with offices at 1500 Market Street in Philadelphia, Pennsylvania (19012).

Comcast Corp. is also a prominent and highly respected provider of communications services with very extensive experience of its own in management of cable systems in a wide variety of locations outside of New York. However, Comcast Corp. does not exercise any form of day-to-day management or control over Carmel Cable or Susquehanna Cable Co. Appended hereto as Exhibits C and D are copies of the certificate of incorporation of Carmel Cable and of the Application for Authority for RCN, as certified by the New York Department of State.

6. As this Commission is aware, pursuant to the applicable federal regulation, 47 C.F.R. § 76.502, a reviewing state or local franchising authority must act upon a request for consent to transfer within 120 days of the receipt of the Form 394 or such consent shall be considered granted. Nonetheless, Petitioners respectfully urge that this matter be given expedited treatment.

7. The transfers for which approval is sought in this Petition will be in accordance with State and federal law and will serve the public interest. The resulting ownership will be held by Carmel Cable, a direct subsidiary of Susquehanna Cable Co., a company with which a variety of

regulatory and franchise authorities have had a long and favorable experience as a cable operator.

The transfers will not have any negative effect on the operations or terms and conditions of cable television service in the subject franchise areas. Carmel Cable will assume all of the obligations and service commitments applicable under the Commission's rules and the local franchise requirements.

8. Consent of the municipal franchising authorities, where required, has been requested by Petitioners. A copy of this petition, together with FCC Form 394 (in the two (2) instances where not already duplicative) is being served upon each of the subject municipal franchising authorities, consistent with PSL § 222.

9. As a related but distinct matter, the parties herein intend to formally advise this Commission in the near future as well of the proposed transfer of telephone communications facilities and other assets related to the telephone services now provided by RCN to customers in the subject municipal areas by use of the same and related facilities which are the subject of this petition. Full formal approval of that transaction will be sought by separate filing pursuant to PSL § 100 and the applicable Commission rules.<sup>2</sup>

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<sup>2</sup> A petition for issuance of an original Certificate of Public Convenience and Necessity for authority to resell all forms of intra-state telephone service was recently filed with this Commission by Carmel Telephone Services, Inc. Petition filed as of September 23, 2003, assigned Case 03-C-1352.

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WHEREFORE, in consideration of the above, and the materials provided in support of this Petition, Joint Petitioners, RCN Telecom Services, Inc. and Carmel Cable Television, Inc., hereby respectfully request that the Commission issue, upon an expedited basis, an order under Section 222 of Article 11 of the PSL granting approval of the transfer of the ownership of the cable television franchises, certificates of confirmation, and system facilities held by RCN for the referenced subject franchise areas to Carmel Cable Television, Inc.

Albany, New York  
October 13, 2003

90 State Street  
Albany, New York 12207  
(518) 432-1002

RCN Telecom Services, Inc.  
105 Carnegie Center  
Princeton, New Jersey 08540-6215  
(609) 734-3700

Philip J. Passanante, Esq.  
Corporate Counsel

Carmel Cable Television, Inc.  
Susquehanna Cable Co.  
140 East Market Street  
York, Pennsylvania 17401  
(717) 852-2418

Craig W. Bremer, Esq.  
Vice President, Secretary and General Counsel

Respectfully submitted,

By, Cohen, Dax & Koenig, P.C.

  
Joshua N. Koenig, Of Counsel

For RCN Telecom Services, Inc.

  
Philip J. Passanante

For Carmel Cable Television, Inc.

  
Craig G. Bremer

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Albany, New York  
October 13, 2003

Respectfully submitted,

By, Cohen, Dax & Koenig, P.C.

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Joshua N. Koenig, Of Counsel

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For RCN Telecom Services, Inc.

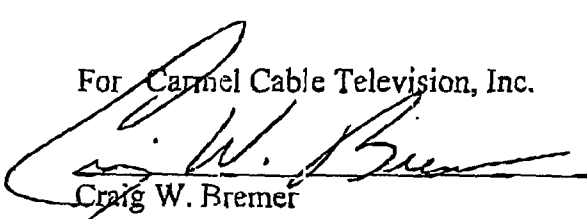
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\_\_\_\_\_  
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Craig W. Bremer

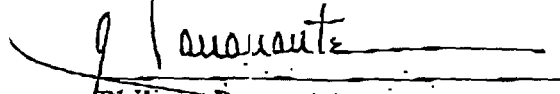
Craig W. Bremer, Esq.  
Vice President, Secretary and General Counsel

CERTIFICATION

Pursuant to PSC Cable Rules §590.11(c)

STATE OF NEW JERSEY    }  
                                      } SS.  
COUNTY OF MERCER       }

Philip J. Passanante, states that he is employed in the position of Corporate Counsel by RCN Telecom Services, Inc., the Petitioner – Transferor presenting the foregoing Petition for cable system ownership transfer, and that he has read the said petition and that to the best of his knowledge, information and belief the facts asserted therein are true and correct, and that this pleading is not presented for purposes of delay.

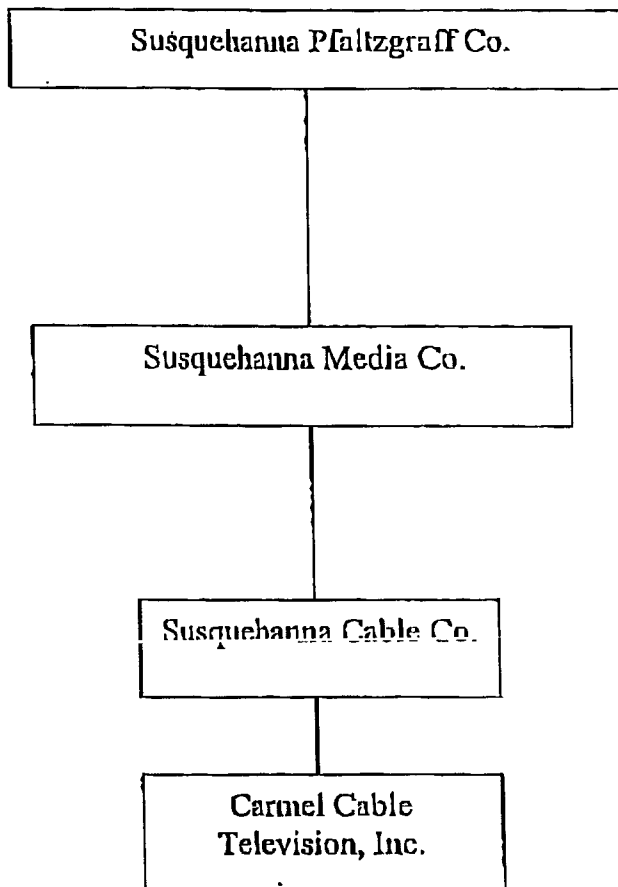
  
Philip J. Passanante

October 13, 2003

## LIST OF EXHIBITS

- A. FCC Form 394, with exhibits
- B. Chart of Corporate Ownership Structure for Carmel Cable
- C. Carmel Cable Certificate of Incorporation
- D. RCN Application for Authority under BCL §1304

# ORGANIZATIONAL CHART



CWB  
10/8/03